

Information regarding the tax liabilities incurred and applicable exemptions, if any, for a coal processing plant (coal wash), may be found at 86 Ill. Adm. Code 130.330. (This is a GIL.)

November 1, 2004

Dear Xxxxx:

This letter is in response to your letter dated August 20, 2004, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.ILTAX.com to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

Could you advise me as to the manufacturing and assembling exemptions for a preparation plant (coal wash). Specifically the conveyors, steel, oxygen & acetylene to construct the plant, conveyor belts, equipment to load conveyors to wash coal, electrical supplies, pumps, etc.

DEPARTMENT'S RESPONSE:

The exemption for coal exploration, mining, off highway, processing maintenance and reclamation equipment, contained in our regulations at 86 Ill. Adm. Code 130.350 was repealed, effective July 1, 2003. For information regarding the tax liabilities incurred and applicable exemptions, if any, for a preparation plant (coal wash), please refer to the Department regulations regarding manufacturing machinery and equipment, which may be found at 86 Ill. Adm. Code 130.330.

I hope this information is helpful. If you require additional information, please visit our website at www.ILTAX.com or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Edwin E. Boggess
Associate Counsel

EEB:msk